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Message Text

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ACTION EB-08

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00
DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 INRE-00 SSO-00
L-03 H-01 SS-15 NSC-05 NSCE-00 /050 W
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O 180952Z FEB 77
FM AMEMBASSY MANILA
TO SECSTATE WASHDC NIACT IMMEDIATE 6197

C O N F I D E N T I A L MANILA 2559

DEPT PASS TO TENNEY JOHNSON, CAB

E O 11652: GDS
TAGS: EAIR, RP
SUBJ: CIVAIR: US-PHIL AVIATION TALKS AT LOGGERHEADS

SUMMARY. INTENSIVE DISCUSSIONS WITH PHIL CIVIL AVIATION PANEL HAS RESULTED IN STALEMATE OVER ISSUE ON LOS ANGELES AS A SINE QUA NON OF ANY DEAL. PHIL PANEL AND SECRETARY ASPIRAS EMPHATIC THAT INTERIM AGREEMENT PROVIDES RIGHT TO OPERATE ALL CARGO SERVICES AND IF NOT FORTHCOMING "PAL PREPARED TO TAKE IT UP IN THE COURTS." FINAL OUTCOME DEPENDS UPON MEETING AMBASSADOR WILL HOLD WITH SECRETARY ASPIRAS SATURDAY MORNING. END SUMMARY.

1. INTENSIVE DISCUSSION WITH PHIL PANEL EXPLORED ALL AVENUES OF PENDING US-PHIL CIVAIR DISAGREEMENTS. AFTER CONSIDERABLE ARGUMENTATION ISSUES EVOLVED INTO TWO PACKAGES, I.E., CARGO AND TRAFFIC RIGHTS. U.S. POSITION WAS AS FOLLOWS:

A. FOR UNITED STATES --

1. EQUIPMENT CONVERSION AND TURNAROUND RIGHT FOR FLYING TIGER LINE (WITHOUT CAPACITY INCREASE.)
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2. BLIND SECTOR MANILA-TAIPEI WITH STOPOVER RIGHTS FOR NORTH-WEST AIRLINES.

3. BLIND SECTOR MANILA-SINGAPORE-JAKARTA WITH STOPOVER RIGHTS FOR PAN AMERICAN.

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4. OPTION ON RIGHT TO INCREASE FROM 4 TO 6 FLIGHTS EACH FOR PAA AND NWA.

5. OPTION FOR PAA TO HAVE ONE ALL-CARGO FLIGHT.

B. FOR PHILIPPINES --

1. GRANTING 3 ALL-CARGO FLIGHTS WITH DC-8'S

2. INCLUSION OF GUAM ON ALL-CARGO SERVICES.

3. AUTHORIZATION OF MANILA-GUAM-MANILA DAILY DC-8 COMBINATION SERVICES.

3. PHIL PANEL WILLING TO AGREE TO ABOVE ON CONDITION THAT LOS ANGELES BECOME A CO-TERMINAL WITH SAN FRANCISCO WITH ADDITIONAL DAILY DC-8 SERVICES.

4. NO AMOUNT OF PERSUASION COULD ALTER PHIL POSITION WHICH WAS PORTRAYED AS BASED UPON LONG HISTORY OF PHIL GENEROSITY AS OPPOSED TO U.S. SELFISHNESS. PHIL ALSO MAINTAINED IT WAS INCUMBENT UPON U.S. TO BE BENEVOLENT TO ITS FORMER COLONY. IN FINAL MESSAGE PHILS INSISTED "MAJOR OBJECTIVES" HAD TO BE OBTAINED PRIOR TO ANY SOLUTION OF MINOR MATTERS. IN FACT, SECRETARY ASPIRAS SAID "MINOR MATTERS" WOULD BE "SOLVED IMMEDIATELY" IF "MAJOR OBJECTIVES" REALIZED.

5. AT VARIOUS U.S. CARRIER MEETINGS USDEL UNANI-
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MOUSLY TOLD THAT LOS ANGELES WAS FAR TOO IMPORTANT TO BE CONSIDERED IN EXCHANGE FOR MINOR U.S. OPERATIONAL REQUESTS. (FYI- PHILS ORIGINALLY REQUESTED SEPARATE ROUTE CONSISTING OF TOKYO/LOS ANGELES AND BEYON D TO MEXICO CITY) CARRIERS ALSO REITERATED SUPPORT FOR DENIAL OF PHIL ALL-CARGO FLIGHTS WITHOUT AN APPROPRIATE BALANCE.

6. ATTEMPT MADE TO SUGGEST TO PHILS THAT PAL REQUEST DEFERRAL OF PENDING CARGO APPLICATION FOR TIME BEING RATHER THAN FACE DENIAL. THIS BROUGHT RESPONSE THAT PAL DETERMINED TO PRESS FOR ITS RIGHTS INCLUDING LEGAL ACTIONS.

7. AMBASSADOR, WITH WHOM USDEL CONFERRED PRIOR TO AND DURING SERIES OF PHIL MEETINGS, APPRISED OF IMPASSE. IN ATTEMPT TO SALVAGE SITUATION AMBASSADOR HAS REQUESTED APPOINTMENT WITH SECRETARY ASPIRAS ON SATURDAY MORNING IN HOPES THAT ANOTHER CAREFUL

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EXPOSITION OF THE BENEFITS ACCRUING TO PAL WILL
CONVINCE SECRETARY THAT U.S. PROPOSAL IS WORTHWHILE
AND THAT LOS ANGELES CAN BE TAKEN UP IN ANOTHER
CONTEXT AT ANOTHER TIME.
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Message Attributes

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Disposition Approved on Date:
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Disposition Date: 22 May 2009
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Subject: CIVAIR: US-PHIL AVIATION TALKS AT LOGGERHEADS SUMMARY. INTENSIVE DISCUSSIONS WITH PHIL CIVIL AVIATION PANEL HAS RESULTED IN STALEMATE OVER ISSUE ON LOS
TAGS: EAIR, RP
To: STATE
Type: TE
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